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81 S. First  
Artesia, NM 88210  
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J Rio Brazos Road  
Artesia, NM 87410  
District IV

NEW MEXICO  
Minerals and Natural Resource Department  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

Form C-140  
Original 11/1

Submit Original  
Plus 2 Copies  
to appropriate  
District Office

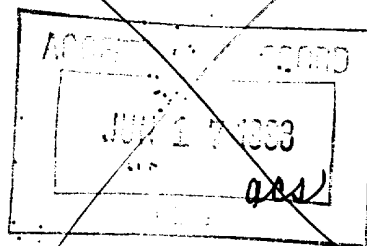
ROSWELL DISTRICT COPY

APPLICATION FOR  
QUALIFICATION OF WELL WORKOVER PROJECT  
AND CERTIFICATION OF APPROVAL

NM 30403

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

- I. Operator: Enron Oil & Gas Company OGRID #: 7377  
Address: P.O. Box 2267, Midland, Texas, 79702  
Contact Party: Lee Roark Phone: 915/686-3608
- II. Name of Well: Hallwood 12 Federal No. 38 API #: 30-025-32181  
Location of Well: Unit Letter P, 660 Feet from the South line and 660 feet from the East line.  
Section 12, Township 25S, Range 33E, NMPM, Lea County
- III. Date Workover Procedures Commenced: 7/11/97  
Date Workover Procedures were Completed: 7/19/97
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.
- VI. Pool(s) on which Production Projection is based:  
Red Hills (Bone Spring)
- VII. AFFIDAVIT:  
State of Texas )  
County of Midland ) ss.  
4/10/98, being first duly sworn, upon oath states:



1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

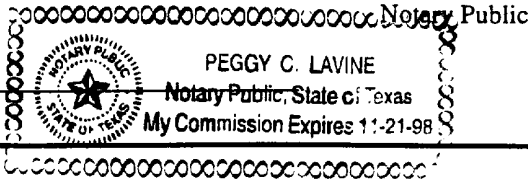
Lee Roark  
(Name)

Engineer Tech  
(Title)

SUBSCRIBED AND SWORN TO before me this 26<sup>th</sup> day of June, 1998.

Peggy C. Lavine

My Commission expires:



FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 7-19, 1998

Paul J. Kautz  
District Supervisor, District 1  
Oil Conservation Division

**Geologist**

Date: 30 June 98

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: \_\_\_\_\_

HALLWOOD 12 FEDERAL NO. 3  
660' FSL & 660' FEL  
Sec 12-T25S-R33E  
LEA Co., NM  
Spud Date:

ENRON OIL & GAS COMPANY  
DEV W/O: 0'  
RED HILLS Field  
EOG%: 81.5166% WI 66.4369% NRI  
AFE No.: 10-1337  
DHC: 0; CWC: 166,000

Install pumping unit

07/11/97 9 hrs MI, set rig mat. MI spot Yale E. Key. Could not rig up. W/O rig mechanic to work on scoping rams. Mechanic on location. MI Rapid transport hot oil unit. Initial TP 90#. Start hot oiling csg @ 250; pressure increased to 200 psi with 7 bbls and steadily increased to 800 psi, started "pump & bleed" 9000# - 500#. 3 hrs pumped 32 bbls oil max 1000#. Off loaded 383 jts 2-7/8" EUE N-80 tbg. Bucked off thread protectors with 43 bbls hot oil pumped maximum press. 1300 psi shut down hot oiler. 15 min press bled to 550#. Opened well to flowline and bled down to 90#. CI and pressure built back to 400#. Opened to flow back frac tank. RU WSU. Had leak on inlet to frac tank, Rerouted flow back line. SDFN. DWC \$2,884. CWC \$2,884.

07/12/97 11 hrs well gasing with steady blow loaded hole with 20 bbls prod water. NU BOP to 10K x 5K spool, well kicked and flowing back with strong flow. Flowed back to flowback tank 1-1/2 hr waiting for brine water. Pumped 5 bbls 10# brine @ 500 psi, 7 bbls 10 psi pressured to 2,000 psi, bled to 400 psi. Pumped 3 bbls 10# pressured to 2000# bled bak to tank. Pumped 10 bbls 10# very slowly @ 1000#. CIW and pressure built to 175 psi in 5 min. Bled to flow back 1-3/4 hrs and well settled down @ 2:40 p.m. to light blow. ND tree, LD tree, 10,000# THF, wrap around 2-7/8" x 10' tbg sub, NU 10K x 5K spool and BOP. Prep to TIH with csg scraper, csg kicked, started flowing oil. NU JU stripper. TIH with 2-7/8" notched tbg collar, X-O subs, 5-1/2" csg scraper & XO sub, 40 jts 2-7/8" tbg. Tbg started kicking and csg flowing, pumped 40 bbls PW down tbg. TIH with 15 jts tbg and tbg. Started loading, pumped 10 bbls PW in tbg. FIH with total 102 jts tbg. Secured well. SDFS. DWC \$3,264. CWC \$6,148.

07/13/97 No activity. DWC \$223. CWC \$6,371.

HALLWOOD 12 FEDERAL NO. 3

660' FSL &amp; 660' FEL

Sec 12-T25S-R33E

LEA Co., NM

Spud Date:

ENRON OIL & GAS COMPANY  
 DEV W/O: 0'  
 RED HILLS Field  
 EOG#: 81.5166% WI 66.4369% NRI  
 AFE No.: 10-1337  
 DHC: 0; CWC: 166,000

Install pumping unit

07/15/97

12 hrs csg flowing slightly to frac tank. SITP 850 psig. Switched flow back line to tbg, bled gas for 10 min and start flowing fluid for 25 min. Pumped 10 bbls FW down tbg, switched csg to tank. Inserted 2-1/2" 8rd EUE Chst iron tbg disch in top of jt #102. Tinn/125 jts 2-7/8" tbg and tbg started kicking disc apparently shearted. Tbg flowing hard for 1/2 hr, have recovered 90 bbls FW this a.m. Pumped 21 bbls FW down tbg, TIH with tbg, w/318 jts in hole, csg blowing oil past JU stripper. Secured stripper. FIH with 390 jts 2-7/8" tbg LTs 0.83' and 12.50 KBC and 5.54 BHA tag up @ 12,381.57' (57.57' below btm perfs). Prep to TOH with tbg. PU 4' and tbg started kicking. Pumped 10 BPW down tbg and pressured to 500 psi. Bled press off, pumped 2 bbls PW, pressured to 2200#. RU Siamese hookup on floback line. TOH with 10 jts, tbg unloading water. Pumped 48 PW @ 500 psi. FOH with 38 jts tbg and tbg flowing back with strong blow. Secured well, left tbg and csg flowing back to tank overnight. SDFN. DWC \$4,715. CWC \$11,086.

07/16/97

12-1/2 hrs tbg and cg still flowed back 200 bbls overnigh. Prep to pull tbg and csg kicked off flowing. Pulled 3 stds and csg started blowing out past "JU" stripper. Pumped 20 bbls PW down csg. Pulled 2 stds and csg flowed back 20 bbls. CI BOP, let csg flowback, changed JU stripper rubber. TOH with total 46 stds and tbg started flowing oil. Bled tbg 45 min, TOH with 78 stds tbg. Flowing oil started pulling water wet tbg string. TOH with 319 jts, loaded tbg with 10 ppg brine, pressured up on plug to 3000 psig. Plug did not move. POH to near scraper, loosened JU stripper, slugged csg with 10 bbls/10 ppg brine, TOH with 1 jt tbg, XO, csg scraper X-0's and notched collar. Found csg scraper plugged to within 1' of top with frac sand. TIH with 2-7/8" H-F purge valve, 1 jt 2-7/8" EUE N-80 tbg, 2-7/8" x 4' PN, SN, 7 jts 2-7/8" tbg, 5-1/2" x 2-1/2" Baker type. TAC. 120 jts 2-7/8" tbg slugged csg with 8 bbls brine. FIH with 286 jts. Secured well tbg flowing back. Left tbg and csg open to tank overnight. DWC \$3,538. CWC \$14,624.

07/17/97

12-1/2 hrs well flowed 120 BF overnight. Flowing slightly this a.m. Pumped 8 bbls 10 ppg brine down tbg. LD 8 jts 2-7/8" N80 tbg out of derrick. TIH with bal of 274 jts 2-7/8" tbg gravitying brine into csg. Set TAC in 15,500# tension. ND 10 x 5K spool and BOP. NU slip type THF, pumping tee and valves. W/O rods 3-1/2 hrs. Moved pipe racks, 17 jts 2-7/8" N80 tbg and trash trailer. Gibson Roustabouts rebuilt flowline, Hooked up well head to flowline. Helped buck off rod thread protectors and install couplings. TIH with 2-1/2" x 1-1/4" x 30' RHBC - BDU pump No CE - 146 with 3/4" x 16' GA, 10-1" steel rods, 236-3/4" rods and 10-7/8" rods. Secured well, turned down flowline overnight. SDFN. DWC \$61,424. CWC \$76,048.

Page 3  
HALLWOOD 12 FEDERAL NO. 3  
660' FSL & 660' FEL  
Sec 12-T25S-R33E  
LEA Co., NM  
Spud Date:

ENRON OIL & GAS COMPANY  
DEV W/O: 0'  
RED HILLS Field  
EOG%: 81.5166% WI 66.4369% NRI  
AFE No.: 10-1337  
DHC: 0; CWC: 166,000

Install pumping unit

07/18/97 9-1/2 hrs prep to FIH with rods. Tbg flowing oil; water and sand. Turned flow to vac truck. W/O kill truck. 2 hrs pumped 10 bbls 10 ppg brine down tbg. ND polished rod and stuffing box, FIH with bal 122-7/8" rods, 114-1" rods, 1-1" x 8' and 1" x 4' pony rods (20-3/4" rod out, 2-7/8" rods - out). 1-1/2" x 26' polished rods with 14' liner. Seated pump, spaced out, PU 42" clamped off polished rod. Loaded tbg with 20 bbls brine water. Stroked pump with rig, hydrauliced to 500#. Good pump action. Released rig. RDMO. DWC \$28,060. CWC \$104,108.

07/19/97 12 hrs WTG set and hooked up Continental Emsco pumping unit. Started unit @ 9:15 p.m., 8-1/2 x 120" SPM. 190 MCF, 89 BO, 60 TP, 70 CP, 60 BW, 47 LP. DWC \$50,234. CWC \$154,342.

07/20/97 24 hrs pump 200 MCF, 120 BO, 8 x 120" SPM, 70 TP, 80 CP, 64 BW, 46 LP. CWC \$154,342.

07/21/97 24 hrs flow, 190 MCF, 133 BO, 8 x 120" SPM, 80 TP, 60 CP, 16 BW, 47 LP.. CWC \$154,342.

07/22/97 24 hrs pump, 203 MCF, 140 BO, 8 x 120" SPM, 85 TP, 70 CP, 19 BW, 47 LP. CWC \$154,342.

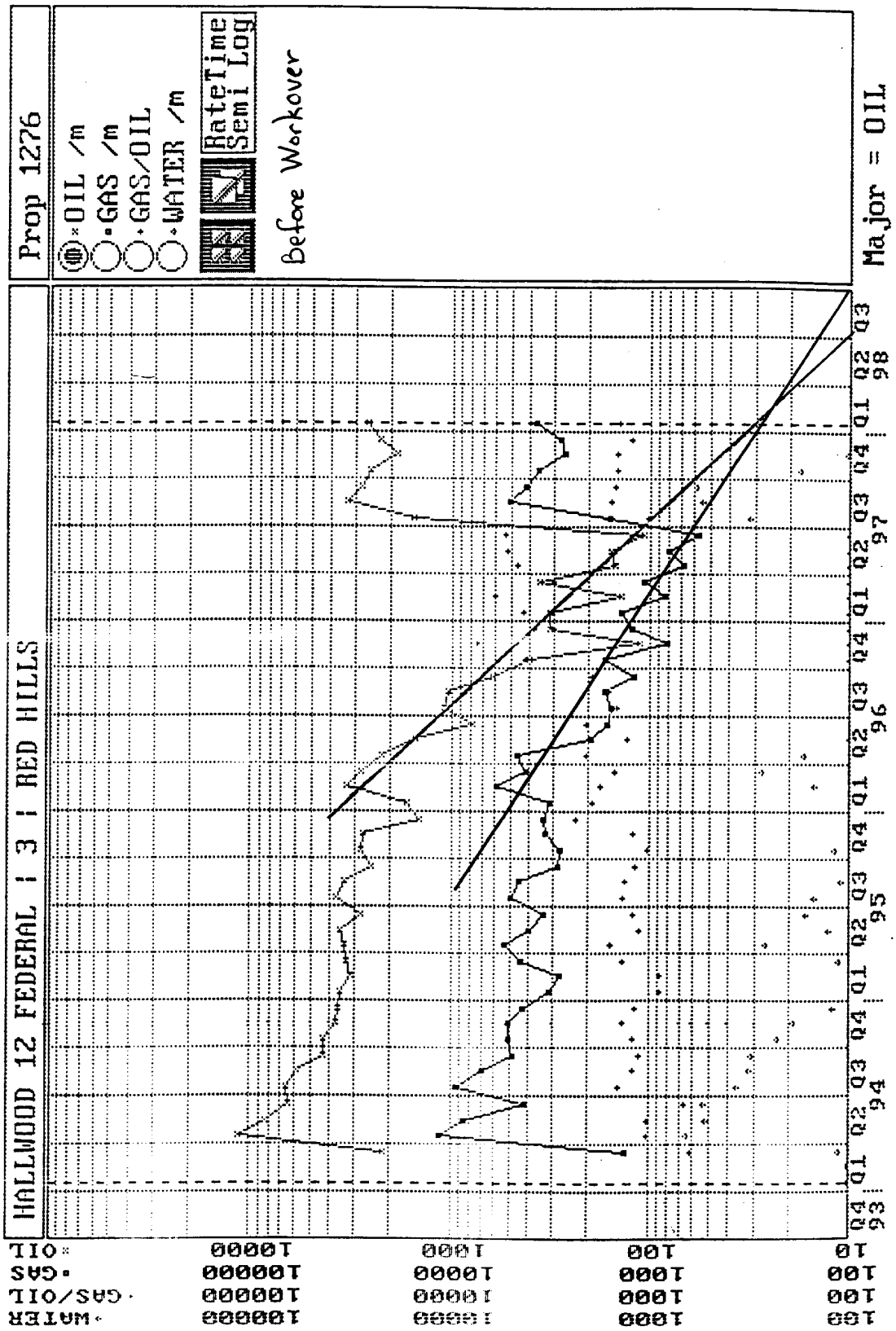
07/23/97 24 hrs pump, 190 MCF, 100 BO, 8 x 120" SPM, 95 FTP, 65 CP, 15 BW, 45 LP. CWC \$154,342.

07/24/97 24 hrs pump 205 MCF, 120 BO, 8 x 120" SPM, 100 TP, 60 CP, 17 BW, 46 LP. CWC \$154,342.

07/25/97 24 hrs pump 204 MCF, 120 BO, 8 x 120" SPM, 80 TP, 65 CP, 17 BW, 43 LP. CWC \$154,342.

07/26/97 24 hrs pump 201 MCF, 117 BO, 8 x 120" SPM, 110 TP, 65 CP, 17 BW, 42 LP. CWC \$154,342.

07/27/97 24 hrs pump, 173 MCF, 120 BO, 8 x 120" SPM, 110 TP, 60 CP, 16 BW, 42 LP. CWC \$154,342.



Hallwood 12 Federal No. 3		
Future Production Before Workover		
Date	Oil	Gas
Jul-97	2891	16864
Aug-97	2515	14670
Sep-97	2187	12760
Oct-97	1680	12056
Nov-97	1453	10431
Dec-97	1257	9025
Jan-98	946	8368
Feb-98	809	7151
Mar-98	691	6110
Apr-98	461	5682
May-98	330	4065
Jun-98	236	2907
Jul-98	0	4003
Aug-98	0	2864
Sep-98	0	2048
Oct-98	0	0